

NATIONAL RECOVERY ADMINISTRATION

PROPOSED CODE OF FAIR COMPETITION
FOR THE
ELECTROPLATING, METAL POLISHING
AND RUST PROOFING INDUSTRY

AS SUBMITTED ON AUGUST 30, 1933



The Code for the Electroplating
Metal Polishing, and Rust Proofing Industry
in its present form merely reflects the proposal of the above-mentioned
industry, and *none of the provisions contained therein are
to be regarded as having received the approval of
the National Recovery Administration
as applying to this industry*

UNITED STATES
GOVERNMENT PRINTING OFFICE
WASHINGTON : 1933

SUBMITTED BY
THE MASTER ELECTROPLATERS INSTITUTE
(II)

CODE OF FAIR COMPETITION SUBMITTED BY THE MASTER ELECTROPLATERS INSTITUTE OF THE UNITED STATES ON BEHALF OF THE ELECTROPLATING, METAL POLISHING, AND RUST PROOFING INDUSTRIES OF THE UNITED STATES

To effectuate the policy of Title I of the National Industrial Recovery Act during the period of emergency mentioned in said Act, by reducing and relieving unemployment, improving of standards of labor, eliminating competitive practice destructive of the interest of the public, employees and employers, and for the purpose of otherwise promoting and rehabilitating industry, by increasing the consumption of industrial and agricultural products and increasing purchasing power and in other respects, the following provisions are established as a Code of Fair Competition for the electroplating, metal polishing, and rust proofing industries of the United States.

ARTICLE I—DEFINITIONS

1. The Master Electroplaters Institute is a voluntary trade association formed by representatives from the electroplating, metal polishing, and rust proofing industries of the United States.

The term "Board of Governors" as used herein shall mean the Board of Governors of the Master Electroplaters Institute of the United States.

The term "Member" as hereinafter used shall include any person, firm, partnership, corporation, or association engaged in the business of electroplating, metal polishing, and rust proofing, or employing departments in its factory or business, where such electroplating, metal polishing, or rust proofing is done either on a jobbing or contract or manufacturing basis.

The term "Institute" as hereinafter used shall refer to the Master Electroplaters Institute of the United States.

Membership in the Master Electroplaters Institute of the United States is open to all persons, firms, partnerships, corporations, and/or associations engaged in the business of electroplating, metal polishing, and rust proofing who subscribe to its constitution and bylaws and accept his or its share of the costs and responsibilities of such institute and agree to adopt and abide by this Code or such Code governing such industry as may be finally approved by the President of the United States.

2. This Code shall be in effect commencing the first Monday following its approval by the President of the United States.

3. With a view to keeping the President of the United States informed as to the observance or nonobservance of this Code of Fair Competition and as to whether appropriate steps are being taken

to effectuate the provisions and purpose of the National Industrial Recovery Act, each member of this Institute shall furnish certified reports to the Board of Governors of this Institute when and in such form as said Board shall prescribe, and, in the event any member shall fail, refuse, or neglect to furnish any information required by the President of the United States, then the member shall permit authorized representatives of the Board of Governors of this Institute to make such examinations of the records of each member of this Institute as may, in its judgment, be necessary for the purpose of securing information required to effectuate the declared policies of the National Recovery Act.

4. All complaints of unfair competition shall be presented in writing to the President of the Master Electroplaters Institute, and a copy to the Secretary, and it shall be the President's duty to appoint as an arbitration committee one person from the complaining constituent member or members and one person from the alleged offending constituent member or members, and these two shall nominate a third person from among the constituent members to act on such committee. In the event of the two arbitrators first appointed failing to agree within forty-eight hours on the third person, then in that event they shall report that fact to the arbitration committee of the Board of Governors of the Institute, who shall act and then make their award in writing.

An award, in writing, shall be filed with the Secretary of the Institute and shall be final, except for being overruled by the National Recovery Administration. Failure to comply with said award shall be punished as provided in the bylaws of the Institute.

5. All communications and conferences with the President of the United States, or his agents, concerning the approval or amendment of this Code, or of any provisions thereof, shall be through the Board of Governors of the Institute.

6. Any and all information, with respect to sales volume, costs and other details of operations as may be furnished by the members of this Institute to the properly constituted officers, committees, or representatives of this Institute, shall be considered confidential and shall not be supplied or made available to others, except to the duly appointed and constituted representatives of the President of the United States.

ARTICLE II—WAGES, HOURS OF LABOR, AND RULES OF FAIR COMPETITION

1. The minimum wages of factory employees covered hereby shall be at the following hourly rates—to adult male factory employees:

In cities having 500,000 population or over, 40 cents.

In cities having 250,000 or over or less than 500,000, 37½ cents.

In cities or towns having less than 250,000 population, 36¼ cents.

To male factory employees over 16 and less than 21 years of age and to female factory employees in the respective localities above mentioned, a differential of 5 cents below the respective hourly rates above mentioned.

2. Factory employees covered hereby (excluding supervisory staff and all employees engaged in the preparation, care, and maintenance

of plant, machinery, and facilities of and for production) shall work not more than 48 hours in any one week, and not more than 40 hours per week averaged for any six months' period.

3. Office and salaried employees covered hereby receiving less than \$35.00 per week shall work not more than 48 hours in any one week, and not more than 40 hours per week averaged for any six months' period.

4. The minimum wages of office and salaried employees covered hereby shall not be less than the following weekly rates:

In cities having 500,000 population or over, at the rate of \$15.00 per week.

In cities having 250,000 population or over, and less than 500,000 population, at the rate of \$14.50 per week.

In cities or towns having less than 250,000 population, at the rate of \$14.00 per week.

5. The Institute may fix by a suitable resolution of its Board of Governors, a minimum for certain approved experienced laborers, who are now receiving and will receive an hourly rate greater than the minimum established by this Code.

6. Each member shall desist from price cutting and eliminate destructive trade practices to the end that the income of said member may be restored to levels that will avoid the further depletion and/or destruction of capital assets.

7. Quality of products and workmanship are primary elements entering into fair competition. It shall be the responsibility of the local or sectional group organized with the approval of the national institute to administer this code of fair competition and to determine a formula for quality when specifications are not submitted by the customer; also to set up the necessary organization to see that such formula or formulae are being properly followed and carried out.

8. Selling or offering for sale any product to purchasers or prospective purchasers with the quality not stipulated in accordance with the preceding paragraph hereof, shall be deemed an unfair practice.

9. Each member shall not reduce the compensation for employment now in excess of the minimum wages hereby agreed to (notwithstanding that the hours worked in such employment may be hereby reduced), and to increase the pay for such employment by an equitable readjustment of all pay schedules.

The foregoing shall be construed so that the policy governing the readjustment of wages of all employees in what may be termed the higher wage groups requires not a fixed rule but equitable readjustment in view of long-standing differentials in pay schedules; and have due regard for the fact that pay rolls are being heavily increased, and that employees will receive benefits from shorter hours, from the re-employment of other workers and from stabilized employment which should increase their yearly earnings.

10. Each member agrees to support and patronize those establishments which also have signed a code of fair competition and are listed as members of N.R.A.

11. Where, before June 16, 1933, any member had contracts to purchase goods at a fixed price for delivery, during the period of

this agreement, said member will make appropriate adjustment of said fixed price to meet any increased cost caused by the seller having become bound by any code of fair competition approved by the President of the United States, providing this shall not be interpreted as applying to the purchase of raw materials or semifinished materials to be used in the manufacture of goods, and/or goods sold in either export or domestic markets under fixed price contracts which were in existence prior to August 1, 1933, if the purchaser, under such contracts, refuses to make appropriate adjustment.

12. Each member agrees not to employ any person under sixteen years of age, except that persons between fourteen and sixteen may be employed (but not in manufacturing or mechanical departments) for not to exceed three hours per day and those hours between 7:00 A.M. and 7:00 P.M. in such work as will not interfere with hours of day school.

13. No member shall sell any merchandise or perform any service below a reasonable cost. Reasonable cost shall mean the current market cost of raw materials and supplies, plus a standard allowance, based on the member's books of account, for the cost of power, heat, light, water, obsolescence, repairs, depreciation, and maintenance of buildings and equipment; plus the cost ratio of production to executive, supervisory, and engineering (both research and development) expense; plus office salaries and expenses; plus sales cost which shall include advertising, promotional distribution and delivery expense. Such overhead as rent, taxes, insurance, professional, and collection expenses shall be prorated and be construed as part of the cost.

14. A satisfactory cost account system shall be adopted by the Master Electroplaters Institute to become effective upon approval and at a date set by the Board of Governors, and such system shall be used by all members in allocating the items in the preceding paragraph in determining the cost of specific articles. And, in the event of a member producing more than one article, each shall be considered separately in computing costs.

15. Nothing in this Code shall prevent the selling of dropped lines, obsolete or surplus stock at less than cost. In the event of financial stress when it might become necessary to convert some or all of the inventory into cash at sacrifice prices to move the same, the member so embarrassed shall first report the contingency to the Board of Governors who, for a period of forty-eight hours, shall endeavor to find a market for the same within the Institute before said inventory shall be offered publicly.

16. Rebates or trade discounts and/or delivery expenses allowed from invoice price shall be deducted therefrom in determining the net selling price.

17. No member may resort to falsely imputing to any other member any dishonorable conduct, inability to perform contracts, or questionable credit standing for the purpose of deceiving or misleading customers or prospective purchasers.

18. No member may maliciously entice away the employees of any other member with the purpose of hampering, injuring, or embarrassing said member in its business.

19. In the spirit of granting to the employees of this industry the leisure of week-ends, each member shall close his plant from Satur-

day noon until Monday morning. Should there arise a necessity to fabricate on Saturday P.M. and Sundays, except because of the fault of the member or accident arising beyond his control, said member shall charge price and one half for products fabricated on said weekends; and the workers so employed to work from Saturday noon until Monday morning, shall be paid at the rate of time and one third for such employment.

20. Any conduct which might be construed as bad faith and unbecoming of fair dealing in general, shall be prohibited and subject, upon conviction thereof, to such penalties as may be prescribed in the bylaws of the Master Electroplaters Institute.

ARTICLE III—LABOR

Pursuant to the requirements of Section 7 (A) of Title I of the National Industrial Recovery Act, the following provisions are conditions of this Code:

(A) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (B) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (C) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President.

In agreement with said provisions, the members of this Institute propose to continue the open shop policy heretofore followed and under which unusually satisfactory and harmonious relations with employees have been maintained.

The selection, retention, and advancement of employees will be on the basis of individual merit without regard to their affiliation or nonaffiliation with any labor or other organization.

ARTICLE IV—GENERAL

1. This Code may be amended or modified, subject to the approval of the President of the United States, by a majority of the members of this Institute present, by a viva voce vote, or by written ballot, at any regular meeting, or one called pursuant to notice for that express purpose.

2. Each member shall be held strictly accountable for any misfeasance or malfeasance of its officers or employees in not carrying out the spirit and letter of this Code, or of Title I of the National Industrial Recovery Act.

3. If any provision of this Code shall be unacceptable to the President of the United States, it shall invalidate only that provision and the remainder of the Code shall remain in full force and virtue.

4. This Code, or any provision thereof, shall be automatically cancelled to the extent necessary to conform to any action by the

5. This Code may be signed in counterparts and each copy thereof so signed shall be deemed an original constituting one instrument.

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Substitute for Article I, Sections 3, 4, 5, and 6, the following sections 3, 3 (a), 4, 5, and 6:

3 (a). The members of the industry operating in any city having a population of more than 250,000, as shown by the 1930 Federal Census, and in the immediate trade area of any such city, shall have the right to elect a district code committee for their own district, consisting of such number as the members in each such district shall determine. The said district code committees shall have full power and authority from time to time to require certified reports from the

members of their respective districts in such form as they shall prescribe, with a view to keeping the President of the United States informed as to the observance or nonobservance of this code and as to whether or not appropriate steps are being taken to effectuate the provisions and purposes of the National Industrial Recovery Act, and all such reports to district code committees in those districts in which such committees have been formed shall be in lieu of the reports required to be made by section 3 of this Article I to the Board of Governors of the Master Electroplaters Institute. The said district code committees shall have the power and authority to cooperate with the administrator and other proper Government officials in the enforcement of the code within their respective districts and to do all things proper to enable this industry to function under this code and to give effect, within the said districts, to the rules, regulations, and conditions herein contained or promulgated hereunder.

4. Whenever there shall have been established a district code committee as herein provided for, all complaints of unfair competition or of violations of the code within such district shall be presented in writing to the district code committee, and said district code committee may in its discretion refer any or all of such complaints to the President of the Master Electroplaters Institute in the manner herein provided for, or may determine for itself the facts with respect to any such complaint and take such action as it may deem advisable to enforce the provisions of this code within its district. A decision so made in writing by any district code committee shall be final, except for being overruled by the National Industrial Recovery Administration. Failure to comply with any such decision shall be punished as provided for in the rules and regulations adopted for the conduct of such district code committee. All complaints of unfair competition not required to be filed with a district code committee shall be presented in writing to the President of the Master Electroplaters Institute and a copy to the Secretary, and it shall be the President's duty to appoint an arbitration committee, one person from the complaining or constituent member or members and one person from the alleged defendant constituent member or members, and these two shall nominate a third person from among the constituent members to act on such committee. In the event of the two arbitrators first appointed failing to agree within 48 hours on the third person, then in that event they shall report that fact to the arbitration committee of the Board of Governors of the Institute who shall act and thereupon make their award in writing. An award, in writing, shall be filed with the Secretary of the Institute and shall be final, except for being overruled by the National Recovery Administration. Failure to comply with any such award shall be punished as provided in the bylaws of the Institute.

In case any question shall arise under this code between any of the said districts, or between a member within a district and one outside such district, the question or dispute shall be presented to the President of the Master Electroplaters Institute and disposed of by arbitration as hereinbefore in this section provided for.

5. All communications and conferences with the President of the United States, or his agents, concerning the approval or amendment of this Code, or of any provisions thereof, shall be through the Board

of Governors of the Institute, provided that nothing herein shall be deemed to prevent the respective district code committees hereinbefore provided for from cooperating with the administrator or other proper Government officials in the enforcement of this code within their respective districts.

6. In order to assure confidential treatment of the individual figures all reports, data, and information which the said Board of Governors of the Institute and the said district code committees are empowered to collect or receive shall be collected or received by an agent appointed by said Board of Governors, or by said district code committee, as the case may be, not a member or connected with a member of the industry. The agent so collecting or receiving any such reports, data, and information shall keep the same confidential except when required by the administrator for the proper enforcement of this code and except that all such reports, data, and information shall be fully available at all times to the duly appointed and constituted representatives of the President of the United States.

Substitute for Article II, section I, the following section I:

1. The minimum wages of factory employees covered hereby shall be at the following hourly rates—to adult male factory employees:

In cities having 500,000 population or over, or in the immediate trade area of such a city, 40 cents per hour.

In cities having 250,000 population or over or less than 500,000 population, or in the immediate trade area of such a city, 37½ cents per hour.

In cities or towns having less than 250,000 population, or in the immediate trade area of such a city or town, 36¼ cents per hour.

To male factory employees over 16 and less than 21 years of age and to female factory employees in the respective localities above mentioned a differential of 10 cents below the respective hourly rates above mentioned, provided that in no case shall the minimum wage be less than 30 cents per hour.

Eliminate sections 5 and 9 of Article II.

Substitute for Article II, sections 13 and 14, the following sections 13 and 14:

13. No member shall sell any merchandise or perform any service below a reasonable cost. A reasonable cost shall mean the current market cost of raw materials and supplies plus a standard allowance based on the member's books of account for the cost of power, heat, light, water, obsolescence, repairs, depreciation, maintenance of buildings and equipment, labor, and interest on bonds and other funded indebtedness; plus the cost ratio of production to executive, supervisory, and engineering (both research and development) expense; plus office salaries and expenses; plus sales cost expense which shall include advertising, promotional distribution, and delivery expense. Such overhead as rent, taxes, insurance, professional, and collection expenses shall be prorated and be construed as part of the cost.

14. A satisfactory cost account system shall be adopted by the Master Electroplaters Institute to become effective upon approval and at a date set by the Board of Governors, and such system shall be used by all members in allocating the items in the preceding paragraph in determining the cost of specific articles; provided, however, that such cost account system shall not be binding upon the

members of the industry operating in any district having a district code committee until the same shall have likewise been accepted and adopted by such district code committee. In the event of a member producing more than one article each shall be considered separately in computing costs.

Substitute for Article IV, Section I, the following Section I:

1. This code may be amended or modified, subject to the approval of the President of the United States, by a majority of the members of this Institute present by a viva voce vote or by written ballot at any regular meeting, or one called pursuant to notice for that express purpose; provided, however, that no such amendment or modification of this code shall be binding upon any district herein provided for which shall not have approved the same by a majority vote of the members in such district or by the action of the district code committee in such district.



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